

1 Bureau Exhibit Number 379?

2 A Colby May's.

3 Q How was it that he came to -- strike that. Who  
4 prepared the draft that Colby appears to be editing?

5 A I prepared the draft.

6 Q And how is it that Colby would come to edit a draft  
7 that you had prepared?

8 A I asked him for advice and send him the draft and  
9 asked hm if he would, you know, if he had any suggestions  
10 which -- or changes.

11 Q Was that a routine practice, to send Colby May  
12 drafts of, of form letters that TBN was planning to send to  
13 its -- well, planning to mail out?

14 A In that from time to time I would do it, yes.

15 Q Did the substance of this letter present any  
16 extenuating circumstances why you would send it to Colby?

17 A I just wanted to make sure that I had all the facts,  
18 you know, in a, in a way that wouldn't be misconstrued by  
19 somebody. Obviously, anytime you send a letter to a lawyer,  
20 he's not going to send it back with changes -- without  
21 changes.

22 Q Mrs. Duff, we can turn to Bureau Exhibit Number 381.

23 JUDGE CHACHKIN: Before we get to that, is the  
24 second page of Bureau Exhibit 380 the draft after Mr. Colby  
25

1 made his suggested changes?

2 MRS. DUFF: Were you directing the question to me?

3 JUDGE CHACHKIN: Yes.

4 MRS. DUFF: I didn't understand the question.

5 JUDGE CHACHKIN: The second page of this --

6 MRS. DUFF: Yes.

7 JUDGE CHACHKIN: -- exhibit, the first page is

8 Mr. Colby's deletions and changes. Is the second page the

9 draft of the letter which went out after Mr. Colby May had

10 made his changes?

11 MRS. DUFF: I will need to read it and make sure.

12 MR. SCHONMAN: Your Honor, you're referring to

13 Bureau Exhibit Number 379?

14 JUDGE CHACHKIN: Yes.

15 MR. SCHONMAN: Okay.

16 JUDGE CHACHKIN: And on the second page.

17 MR. SCHONMAN: I thought you had directed the

18 witness to 380. I'm sorry.

19 MRS. DUFF: Yes, this does appear to be the, the

20 rework of the letter, yes.

21 JUDGE CHACHKIN: Go ahead. Thank you.

22 BY MR. SCHONMAN:

23 Q Mrs. Duff, we can move on to Bureau Exhibit Number

24 381, and that's an invoice from May and Dunne directly to

25 Trinity Broadcasting Network. The invoice is dated

1 December 11, 1991, and it bears charges for services rendered  
2 to NMTV. And my question for you is do you have any knowledge  
3 why in December of 1991, as recently as that, the law firm is  
4 still sending invoices to TBN bearing services for charges to  
5 NMTV?

6 A I don't have any further to add to that.

7 Q Okay. That was December of 1991.

8 JUDGE CHACKIN: 384?

9 MR. SCHONMAN: 381.

10 JUDGE CHACKIN: 381, all right --

11 BY MR. SCHONMAN:

12 Q Mrs. Duff, we can jump ahead to Bureau Exhibit  
13 Number 384 and that's another invoice from May and Dunne. It  
14 appears to be dated January 11, 1992. And this one does not  
15 bear any charges for services directed to NMTV.

16 Q Could you also, if you can keep your finger on  
17 Bureau Exhibit Number 384 and jump ahead to Bureau Exhibit  
18 Number 389, 389 is, is another invoice from May and Dunne.  
19 389, Exhibit 389 bears a date of February 12, 1992, and that,  
20 that invoice does include a charge for services rendered to  
21 NMTV and is directed to TBN. And my question is why does  
22 Bureau Exhibit Number 384 not include any charges is -- any  
23 charges to NMTV, but approximately a month later May and Dunne  
24 does include a charge to NMTV in its bill to TBN?

25 A I don't know.

1 JUDGE CHACHKIN: I assume there were no services  
2 rendered for NMTV, that's covered by the January 11th, 1992,  
3 while they were certain. On the other hand, if that's --  
4 there apparently there were services rendered after that time  
5 period and that's why it's included.

6 BY MR. SCHONMAN:

7 Q Mrs. Duff, can we turn to Bureau Exhibit Number 382.  
8 This is a request for housing allowance and it bears a date of  
9 December 12, 1991. Page one. Can you identify whose, whose  
10 signature that is on page one?

11 A Jim McClellan.

12 Q Was, was Jim McClellan, at this point, general  
13 manager of NMTV's Portland station?

14 A Yes.

15 Q How was he connected, if at all, to TBN?

16 A He received a -- well, he received a housing  
17 allowance because of his ordination. TBN was the ord -- he  
18 was the one that ordained him. Actually --

19 Q It wasn't necessary for an employee of TBN -- strike  
20 that. Can you turn to page two of Bureau Exhibit Number 382.

21 A Yes.

22 Q Is that your signature?

23 A Yes.

24 Q All right. Are you able to tell me what, what that  
25 handwriting says at the bottom of page two? And, and who is

1 responsible for it?

2 A It looks like Norm Juggert's writing, but I never  
3 could read Norm's writing very well.

4 JUDGE CHACHKIN: It looks like the word approved,  
5 doesn't it? First word.

6 MR. SCHONMAN: We can turn to page three of that  
7 same exhibit.

8 JUDGE CHACHKIN: Is that what it looks like, the  
9 word approved?

10 MRS. DUFF: It, it might, yes. It might be, or  
11 approval. The last letter looks like an L.

12 JUDGE CHACHKIN: Yes.

13 BY MR. SCHONMAN:

14 Q Page three is a special meeting of TBN held on  
15 December 19, 1991. Did you attend that meeting?

16 A No, sir. I don't believe I attended that meeting.

17 Q Can you turn to page five of that same exhibit.  
18 That's an -- Page five is an action by unanimous written  
19 consent of NMTV's board, and it involved Jim McCellan's  
20 housing allowance in the amount of \$14,000. Can you explain  
21 the connection, if any, between that action by written consent  
22 regarding Jim McCellan's housing allowance, and page one of  
23 that same exhibit, Jim McCellan's request for a housing  
24 allowance?  
25

1           A     Well, this would be an approval for the document  
2 that was submitted by Mr. McClellan.

3           Q     So if I understand it correctly, Mr. McClellan  
4 submits a request to TBN, and NMTV approves it?

5           A     Because if he was employed by NMTV.

6           JUDGE CHACHKIN: Well, why was he submitting a  
7 request for housing allowance to TBN if he was an employee of  
8 NMTV?

9           MRS. DUFF: I think that document actually was an  
10 error. That's my own opinion. I, I don't think --

11          JUDGE CHACHKIN: Which document is an error?

12          MRS. DUFF: The first one where he made the request.  
13 This, this document here, the housing laws are re -- he was  
14 actually already an ordained minister and --

15          JUDGE CHACHKIN: Of TBN, by TBN.

16          MRS. DUFF: No, no. He was ordained outside of TBN.  
17 He was ordained by a Baptist organization, so I, I don't think  
18 this was necessary. I don't think that he should have had to  
19 sign this, because he was actually employed by NMTV, so he  
20 didn't need to be ordained by TBN. He was already a minister.

21          JUDGE CHACHKIN: Well, you also received a  
22 clausinage allowance?

23          MRS. DUFF: Yes.

24          JUDGE CHACHKIN: And the clausinage allowance was  
25 paid by TBN?

1 MRS. DUFF: Right, because I'm an employee of TBN.

2 MR. SCHONMAN: Your Honor, should I continue?

3 JUDGE CHACHKIN: Yes.

4 BY MR. SCHONMAN:

5 Q We can move on to Bureau Exhibit Number 383, which  
6 is a TV agreement and production agreement bearing the date  
7 January 2, 1992, between NMTV and TBN. Mrs. Duff, on page  
8 seven of this agreement, is that your signature on behalf of  
9 NMTV?

10 A Yes.

11 Q And did Terrence Hickey sign on behalf of TBN?

12 A Yes.

13 Q Did Terrence Hickey hold any position with NMTV at  
14 the time this agreement was signed?

15 A Oh, what's the, the date on this. I believe he was  
16 the assistant secretary.

17 Q Who prepared this agreement?

18 A I'm --

19 Q Was it Mr. Juggert?

20 A Yes, I believe Mr. Juggert prepared this.

21 Q At whose request?

22 A I believe it was Mr. Crouch asked for this  
23 agreement.

24 Q Now was Mr. Juggert acting on NMTV's behalf or was  
25 he acting on TBN's behalf when he prepared this agreement?

1           A     I believe he was acting on TBN's behalf.

2           Q     Were there any negotiations regarding this  
3 agreement?

4           A     It just basically, it basically spelled out the, the  
5 needs of TBN for having the services of Mr. McCellan for  
6 production of some of the, the programming, dealt with title  
7 and ownership and that type of thing, of the, the tapes and  
8 the, the voice-overs and that type of thing. I think it was  
9 basically negotiated between Mr. Crouch and Jim McClellan.

10          Q     When you say negotiated, do you mean Mr. McClellan  
11 travelled down to TBN's headquarters and sat down, face to  
12 face, with Mr. Crouch and went over this?

13          A     Yes.

14          Q     So Mr. Crouch was negotiating on behalf of which  
15 corporation?

16          A     TBN.

17          Q     And at the same time, Mr. Crouch was on NMTV's  
18 board?

19          A     Yes.

20          Q     And he was president of NMTV?

21          A     Yes. But he was basically negotiating with the --  
22 Mr. McClellan.

23          Q     And as you said, Terrence Hickey was an officer of  
24 NMTV at the time?

25          A     He, he was a, yes, assistant secretary, I believe.



1 Q So he could have signed for NMTV as well, couldn't  
2 it?

3 A He could have.

4 Q Why didn't he?

5 A Because I signed.

6 Q Now page 11 relates to a first addendum to  
7 television agreement introduction agreement. The first  
8 addendum begins on page eight of this document. Actually  
9 pages 10 and 11 are the signature pages that are done in  
10 counterpart. Is that your signature?

11 A Yes.

12 Q On page ten?

13 A Yes.

14 Q And page 11?

15 A Right.

16 Q We can turn to Bureau Exhibit Number 385. That's an  
17 annual meeting of the combined boards of TBN. And that was  
18 held on January 13, 1992. Why did you attend this meeting,  
19 Mrs. Duff?

20 A At the request of Mr. Crouch, as his assistant.

21 Q And that TBN meeting continued all day? Page nine  
22 indicates an afternoon session as well, is that correct?

23 A Yes.

24 Q Can you turn to Bureau Exhibit Number 386. And that  
25 is an annual meeting of NMTV for 1992.

1 A Yes.

2 Q And that was held on January 14, 1992. Why was  
3 Colby May at that meeting, NMTV's annual meeting?

4 A He was at the TBN meeting and he stayed over. We  
5 asked him to be at the NMTV meeting.

6 Q Why?

7 A It was customary for us to ask him to give input,  
8 similar to what we did for TBN. We would have questions about  
9 rules and, at this particular time, we may have, have had some  
10 specific interest in asking him questions about the  
11 proceeding, which the minutes speak of in paragraph three.

12 Q Who prepared these minutes?

13 A Norm Juggert.

14 Q Why was he at this meeting?

15 A Basically to take the minutes.

16 Q We can turn to Bureau Exhibit Number 387. And  
17 that's an application for a new low-power station at  
18 Lake Charles, Louisiana, filed by NMTV. Mrs. Duff, is that  
19 your signature on page five?

20 A Yes.

21 Q And on page nine there is the statement that NMTV  
22 intends to file applications for Syracuse, New York; and for  
23 Texas; and also Messina, New York; and Panama City, Florida.  
24 Did NMTV, in fact, file low-power applications for all those  
25 locations?

1           A     Yes.

2           Q     Why did NMTV file applications for new low-power  
3 stations in the communities listed on par -- on page nine?

4           A     We used the same formual that we had from the very  
5 beginning and that was the largest markets, the -- if there  
6 was a capital city available, what frequencies were available,  
7 and those frequencies, of course, had to have a site to go  
8 with them, so that was basically the same formula we had used  
9 from the very beginning.

10          Q     Now at page 13 of this application, there's a  
11 discussion about the dismissal of the Wilmington, Delaware,  
12 application. My question for you is why did NMTV dismiss its  
13 Wilmington, Delaware, application.

14          A     Because the bankruptcy court had given us a deadline  
15 to be able to perform and we needed to have action by the FCC  
16 prior to that deadline, and when that action did not come, we  
17 had no choice but to dismiss our application.

18          Q     We can turn to Bureau Exhibit Number 388. Mrs.  
19 Duff, on page three, there is a list of stations and I wonder  
20 if you can just clarify something for me. On page three, at  
21 the top, there is a category stations on the air, and it says:  
22 Portland, Oregon, Channel 18. Should that have been  
23 identified as Portland, Maine?

24          A     I think you're correct, yes. I think that was an  
25 error there.

1 Q We can turn to Bureau Exhibit Number 390. That's a  
2 memo from Ben Miller to Paul Crouch dated February 19, 1992.  
3 Have you ever seen this before, Mrs. Duff?

4 A No, I don't believe I have.

5 Q Was it Ben Miller's routine practice, if you know,  
6 to send memos to Paul Crouch regarding NMTV stations?

7 A Not to my knowledge.

8 Q Now this memo includes stations for TBN, as well as  
9 NMTV?

10 A Yes.

11 Q You can turn to Bureau Exhibit Number 391. This  
12 appears to be a fax from George Horvath to Jim Planck on  
13 March 4, 1992. Who is George Horvath?

14 A He is the low-power engineer that works for TBN.

15 Q Did he do any work for NMTV?

16 A Yes.

17 Q What was the nature of his work for NMTV?

18 A At my request, he would do whatever I asked him to  
19 do.

20 Q For instance?

21 A He would assist in providing the technical  
22 information review for leases, and he would confirm for me the  
23 evaluations that I requested. If I was going to plan, you  
24 know, like in the window, if I was going to file something in  
25 the window, he would assist us in preparing the, the leases.

1 And anything that had to do with engineering, I would rely  
2 upon him.

3 Q Was he --

4 A For low-power.

5 Q I'm sorry to interrupt you. In March, 1992, was  
6 George Horvath a salaried employee of TBN?

7 A Yes.

8 Q Do you know if his salary was affected in any way by  
9 the fact that he performed duties for NMTV?

10 A No, it was not.

11 Q And did he perform activities for NMTV during his  
12 TBN work day?

13 A Yes.

14 Q Now this, this facsimile, which is Bureau Exhibit  
15 Number 391, that includes references to both TBN and NMTV  
16 stations?

17 A Yes, it does.

18 Q Let's turn to Bureau Exhibit Number 392. On page  
19 four of that exhibit, there is a memo from Ben Miller to you  
20 dated August 4, 1992, regarding a Columbia, South Carolina,  
21 station. The reference to Columbia, South Carolina, is an  
22 NMTV station?

23 A Yes.

24 Q Did NMTV have an Engineering Department in August,  
25 1992?

1 A No.

2 Q Do you know why Ben Miller is writing to you and  
3 identifying himself as working for NMTV's Engineering  
4 Department?

5 A No.

6 Q We can turn to page nine of that exhibit, and that's  
7 a letter from you, Mrs. Duff, to Norm Juggert. Yes. Actually  
8 pages nine, ten, and eleven, can go together as a, as a unit.  
9 If you'd like to take a moment to just scan those pages. I'm  
10 not going to ask you about the specific contents of the  
11 letters, Mrs. Duff. I just have a, a much more general  
12 question. Was Mr. Juggert retained to represent NMTV for the  
13 matters with which are discussed in these letters?

14 A Yes, I asked him if he would write the letter.

15 Q Was there a retainer agreement of any kind?

16 A No.

17 Q Did NMTV pay Mr. Juggert for his services?

18 A I don't remember seeing a charge, no.

19 Q You can turn to Bureau Exhibit Number 393. This is  
20 an interoffice memo from Jim McClellan to Ruth Brown and you,  
21 Mrs. Duff, dated May 7, 1992. Who is Ruth Brown?

22 A She, she is overall manager of the Personnel Office.

23 Q TBN's Personnel Office?

24 A Yes.

25 Q We can turn to Bureau Exhibit Number 394. That's a

1 special meeting of NMTV on May the -- May 8, 1992. Mrs. Duff,  
2 do you recall who prepared these mintues?

3 A I believe Mr. Juggert prepared them.

4 Q Now at the bottom -- well, strike that. The fifth  
5 paragraph from the top, the paragraph that begins: Mrs. Duff  
6 reported. Do you see that?

7 A Yes.

8 Q Would you read that to yourself for a moment?

9 A Mrs. Duff reported that Mr. Mc --

10 Q To yourself. That's all right. My, my question for  
11 you is was it the practice of NMTV's board to vote on requests  
12 to add part-time assistants at the Portland station?

13 A This was outside of the general hiring requirements.  
14 The station manager and myself had a certain amount of  
15 lattitude. We knew what the board had already given us  
16 lattitude for. In other words, there was a number that you  
17 could hire and -- but if you go outside that number, then the  
18 board want more or less to review it and make sure that we  
19 don't get over our cost, because we want to keep the head  
20 count as small as possible. So there was a certain number of  
21 people that I had lattitude to approve, but when it went  
22 beyond that number, then I needed to bring it to the board.

23 Q Is that policy spelled out in any particular  
24 document?

25 A No, I think it's just a policy that we adopt -- I

1 don't know whether it's written or not, but I know this is  
2 what we, NMTV has been going by, and kind of what I wanted to  
3 do, because that way it helps to keep the station manager in  
4 line.

5 MR. SCHONMAN: Your Honor, can we go off the record.

6 JUDGE CHACHKIN: We'll go off the record a minute.

7 (Off the record at 11:50. Back on the record at  
8 11:52 a.m.)

9 JUDGE CHACHKIN: All right, back on the record. Go  
10 ahead, counsel.

11 BY MR. SCHONMAN:

12 Q Mrs. Duff, the policy that you've just testified  
13 about, this policy of hiring so many number of people by the  
14 station manager in Portland, was that policy ever discussed  
15 during any board meetings of NMTV?

16 A I don't know if it was or not. It could have been,  
17 but I, I don't have a specific rec, recollection.

18 Q Was there ever a, a budget prepared in which  
19 Mr. McClellan was informed as to the total number of people he  
20 would have authority to hire?

21 A We have the station -- we had seminars for, you  
22 know, sort of a meeting where the station manager would ask  
23 questions and we would field questions back to him, and I  
24 believe it was in that context that we had discussed the, the  
25 number of people that he could hire, and that would get



1 approval, yes. And then if it went beyond, then that he would  
2 have to justify and the board would have to approve anything  
3 beyond that.

4 Q So is it your testimony that the reason the board  
5 had to pass on the hiring of a part-time production assistant  
6 at this special meeting was because Mr. McClellan had hired  
7 the full complement of persons he had authority to hire?

8 A Exactly.

9 JUDGE CHACHKIN: Well, wasn't this part-time  
10 production assistant to be used in connection with the program  
11 "Joy in the Morning"?

12 MRS. DUFF: Yes.

13 JUDGE CHACHKIN: And "Joy in the Morning", as I read  
14 the, the meeting of the minutes, the minutes of the meeting,  
15 was to be paid for by TBN, was it not?

16 MRS. DUFF: The, the Joy program actually belonged  
17 to, it was given to, to NMTV. It was, at this time, it was an  
18 NMTV production.

19 JUDGE CHACHKIN: But it was to be paid for by TBN,  
20 was it not?

21 MRS. DUFF: No, it belonged to, to NMTV.

22 JUDGE CHACHKIN: Look at the minutes. A special  
23 meeting of National Minority TV, Inc., Bureau Exhibit Number  
24 394, does it not say that the program will be paid for by  
25 Trinity Broadcast Network and that it will be broadcast over

1 | Trinity's affiliated station? Doesn't it say that?

2 |           MRS. DUFF: Oh, yes. That we're talking about the  
3 | fact that the program will be pa -- wait a minute.

4 |           JUDGE CHACHKIN: It says it's going to be produced  
5 | by McClellan and it's going to be paid for by TBN. Doesn't it  
6 | say that?

7 |           MRS. DUFF: Well, it was a, it was a production of  
8 | NMTV and TBN would pay for, pay National Minority for the, the  
9 | program itself, but it was actually a National Minority  
10 | program at this point.

11 |           JUDGE CHACHKIN: But isn't the reason why, look at  
12 | 393, the reason why the job description for the part-time  
13 | assistant, I assume the part-time assistant, we're talking  
14 | about the same part-time assistant for "Joy in the Morning"?

15 |           MRS. DUFF: Yes.

16 |           JUDGE CHACHKIN: Was referred to the Personnel  
17 | Department at TBN, was because it was going to be paid for by  
18 | TBN and broadcast over Trinity's affiliated stations? Isn't  
19 | that the reason why Ms. Brown was involved in this?

20 |           MRS. DUFF: Well, I needed to be involved in that.  
21 | She just sent it on to me because she didn't --

22 |           JUDGE CHACHKIN: Well, it doesn't say that. It's  
23 | directed from Jim McClellan to both you and, and, and, and  
24 | Ms. Brown.

25 |           MRS. DUFF: Well, she wouldn't make the decision,

1 because she didn't make the decisions as to who would hire  
2 people at NMTV.

3 JUDGE CHACHKIN: But she did make decisions for TBN,  
4 did she not? As personnel, head of Personnel of TBN?

5 MRS. DUFF: For TBN she did, but --

6 JUDGE CHACHKIN: Yes, and --

7 MRS. DUFF: But not for NMTV.

8 JUDGE CHACHKIN: I understand that, but the fact of  
9 the matter is the program was going to be paid for by TBN, so  
10 wouldn't TBN then also be concerned about the hiring of a  
11 part-time assistant to be used on the program? Isn't that the  
12 reason why it was sent to her by Mr. McClellan?

13 MRS. DUFF: I don't believe so.

14 JUDGE CHACHKIN: You don't believe so?

15 MRS. DUFF: No.

16 JUDGE CHACHKIN: So why was it sent to her at  
17 Personnel of TBN if, as you say, it was to be an NMTV program?

18 MRS. DUFF: The scenario is that Ruth sent it to me  
19 because --

20 JUDGE CHACHKIN: But that's not what the memo -- the  
21 memo is from McClellan to you and Duff.

22 MRS. DUFF: I --

23 JUDGE CHACHKIN: To you and Brown. That's the memo.

24 MRS. DUFF: I don't know why Mr. McClellan sent it  
25 to Ruth. But --

1 JUDGE CHACHKIN: Well, is, isn't it -- the answer is  
2 in the, in the special meeting, the fact of the matter is it's  
3 going to be paid for by TBN so, therefore, obviously TBN was  
4 concerned about who was going to be acting, who was going to  
5 be involved in the production and what the cost would be.  
6 Isn't that the reason?

7 MRS. DUFF: I don't believe so.

8 JUDGE CHACHKIN: You don't believe so.

9 MRS. DUFF: That's, that's not my understanding.

10 JUDGE CHACHKIN: But it does say, does it not, that  
11 the program will be paid for by TBN?

12 MRS. DUFF: Yes.

13 JUDGE CHACHKIN: Go ahead, Mr. Schonman.

14 MR. SCHONMAN: Thank you, Your Honor.

15 BY MR. SCHONMAN:

16 Q You can turn to Bureau Exhibit Number 397,  
17 Mrs. Duff. This is a memo from Ben Miller to Paul Crouch  
18 dated June 29, 1992. In June, 1992, did NMTV have an  
19 Engineering Department?

20 A No, not, not in the context of this memo, no.

21 Q Can we turn to Bureau Exhibit Number 398. That's a  
22 Form 990 for the year 1991, filed by NMTV. And on page five,  
23 it indicates that the form was prepared by the firm of  
24 Goodrich, Goodyear, and Heinz. How did Goodrich, Goodyear,  
25 and Heinz come to prepare this form on behalf of NMTV?

1           A     It was nicated (sic), it was negotiated by TBN's  
2 Accounting Department as a part of the business service  
3 arrangement that National Minority had with them.

4           Q     Did you or any other board member of NMTV review  
5 this form before it was filed?

6           A     I don't have a recollection of having reviewed this  
7 one, now.

8                     MR. SCHONMAN: Your Honor, at this point, we can  
9 move on to Volume Seven of the Bureau's exhibits.

10                    JUDGE CHACHKIN: All right.

11                    MR. SCHONMAN: Which I'll note is the last volume.

12                    BY MR. SCHONMAN:

13           Q     Mrs. Duff, we can turn to Bureau Exhibit Number 400.  
14 And this is an invoice directed to you at NMTV from the law  
15 firm of May and Dunne for services rendered to NMTV. To your  
16 knowledge, was this the first bill that was sent by May and  
17 Dunne directly to NMTV?

18           A     Yes, I believe it is.

19           Q     Do you know why in August of 1992, May and Dunne  
20 sent this bill directly to you, rather than including NMTV's  
21 charges in a TBN bill?

22           A     I believe it was due to issues that had been raised  
23 in connection with our Wilmington, Delaware, filing.

24           Q     What do you mean by that?

25           A     That the Bureau was questioning the connection

1 between NMTV and TBN. And Mr. May decided to -- we discussed  
2 it and he decided that -- I decided that it would be best to  
3 separate the bills.

4 Q Can you tell me, can you elaborate on your  
5 discussion with Mr. May about the decision to separate the  
6 bills?

7 A Just that because the issues were raised, he thought  
8 that -- and I suggested that there should be more of a  
9 distinction between TBN and NMTV as far as the billing of our  
10 accounts.

11 Q Can we turn to Bureau Exhibit Number 401. This is a  
12 fax from George Horvath to Kevin Fisher at the firm of Smith  
13 and Powstenko. Am I correct that the subject of this fax was  
14 an NMTV station?

15 A Yes.

16 Q And Mr. Horvath prepared this fax on a Trinity fax  
17 form, is that correct?

18 A Yes.

19 Q Can we turn to Bureau Exhibit Number 402, please.  
20 This is an owernship report for NMTV dated Sept -- accompanied  
21 by a cover letter dated September 19, 1992. Mrs. Duff, is  
22 that your signature on page two?

23 A Yes.

24 Q Can you turn to Bureau Exhibit Number 403, please.  
25 And this is a letter from Kevin Fisher directed to you,

1 Mrs. Duff, at Trinity Broadcasting Network. Will you take a  
2 moment to look through this.

3 Q Mrs. Duff?

4 A Yes.

5 Q The list that Mr. Fisher provided to you at TBN,  
6 that's a list of communities for filing new applications?

7 A Yes.

8 Q Now as I understanding it, at this time, TBN was not  
9 in the business of filing applications for new low-power  
10 stations, is that correct?

11 A That's correct.

12 Q And NMTV was in the business of filing applications  
13 for new low-power stations, correct?

14 A That's correct.

15 Q And did it come to pass that NMTV filed applications  
16 for some of the communities identified on the list provided by  
17 Mr. Fisher?

18 A Yes, we did.

19 Q Okay. Mrs. Duff, we can turn to Bureau Exhibit  
20 Number 406. And that's a letter from Smith and Powstenko to  
21 you at NMTV dated January 8, 1993. Would you take a moment to  
22 familiarize yourself with that letter. And I'd like to  
23 specifically direct your attention to the first paragraph  
24 where Mr. Fisher of Smith and Powstenko writes: "Over the  
25 past 11 months, I have been keeping track of all of Trinity's

1 stations, licensed and authorized, which have been mentioned  
2 as candidates for major modification during the next LPTV  
3 filing window. My question for you is do you know why  
4 Mr. Fisher writes to you at NMTV and refers to all of  
5 Trinity's stations?

6 A No, I don't.

7 Q Did you ask him what he meant by that?

8 A Yes, I did.

9 Q What did he say he meant by that?

10 A He apologized.

11 JUDGE CHACHKIN: Mrs. Duff, with respect to  
12 Mr. Fisher's letter to you of September 30th, 1992.

13 MR. COHEN: What exhibit is that, Your Honor?

14 JUDGE CHACHKIN: That's Bureau Exhibit 403. And  
15 specifically with respect to the second paragraph, in which  
16 Mr. Fisher states what he has done and he says after he has  
17 determined which populations, which communities have  
18 populations exceeding 50,000 people, he then says: I then  
19 eliminate any county located within the service area of a  
20 Trinity-owned or affiliate station. Under whose instructions  
21 did he do that?

22 MRS. DUFF: My instructions.

23 JUDGE CHACHKIN: Go ahead.

24 BY MR. SCHONMAN:

25 Q Mrs. Duff, can you turn to Bureau Exhibit Number



1 407. That's an annual TBN meeting held on January 18, 1993.

2 Why did you attend that meeting, Mrs. Duff?

3 A At the request of Mr. Crouch, as his assistant.

4 Q Did you participate at all at that meeting?

5 A I would have answered any questions and given any  
6 input that, as, as he requested. I may have given a report,  
7 which is my usual thing, I would give a report, or introduce  
8 our Public Affairs director.

9 Q We can turn to Bureau Exhibit Number 408. That's a  
10 special meeting of TBN on January 18, 1993.

11 JUDGE CHACHKIN: Well, before you get there, let me  
12 ask you this. Referring to the annual combined meeting, and  
13 that's Bureau Exhibit 407, and the reference in the last, next  
14 to the last paragraph, which: for 1992, we average  
15 approximately one new station on the air each week, more than  
16 333 stations are one the air. Does this include NMTV  
17 facilities?

18 MRS. DUFF: Yes, that includes all the affiliates  
19 and foreign stations as well.

20 JUDGE CHACHKIN: And this, the last part when they  
21 talk about affiliate and low-power stations, would that, does  
22 that include NMTV facilities?

23 MRS. DUFF: Yes, sir.

24 JUDGE CHACHKIN: Go ahead Mr. --

25 MR. TOPEL: Your Honor, could I ask what, what page